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A Section 8 funding reprieve

By Erin Grace
WORLD-HERALD STAFF WRITER

The names were picked, the envelopes stuffed and the letters informing 432 Omaha families that their government-subsidized housing was ending Sept. 1 were ready for Thursday's mail.

Then, in an eleventh-hour phone call, Omaha Housing Authority Director Stan Timm got some unexpected good news: Don't send the letters. We're taking care of this.

Hundreds of other OHA families slated for stiff rent increases also were spared.

Local U.S. Housing and Urban Development officials said Thursday that OHA was able to make a successful case that the agency had been burdened by higher rents and therefore became eligible to tap a \$100 million pool of additional HUD funds set aside for unforeseen circumstances.

OHA applied for the funds after getting late notice of the reduced federal funding in May.

"We're happy those funds were available and we were able to avert this situation," said Clifton Jones, field office director for HUD in Omaha.

Jones said the fate of the Douglas County Housing Authority's vouchers was still unknown, "but we're still working on that situation."

OHA announced last week that it was taking steps to deal with the drop in federal funds and other budget problems.

The measures included cutting off 432 of 4,228 households enrolled in Section 8, a program that allows qualified low-income people to rent on the open market through government subsidies. In addition, about 2,560 Section 8 households would have faced a monthly rent increase of between \$50 and \$250 as of Oct. 1. About half of OHA's 8,000 units of housing are Section 8.

Timm and nonprofit housing leaders feared that many of the residents wouldn't be able to afford the rent increases because the recession has caused a drop-off in residents' incomes, which are used to calculate their share of rent.

The panic at OHA started in May, when it received notice from HUD that the agency's federal appropriation for the Section 8 program was dropping -- a fairly universal story for housing authorities across the country.

That hit along with the income reductions that increased OHA's costs by about \$132,000 a month.

The net result was a nearly \$1.6 million hole in the Section 8 program budget.

At a special meeting July 23, the board approved steps that included eliminating vouchers for 432 renters and decreasing the amount paid to participating landlords. As a result, landlords were expected to increase the rent portion paid by Section 8 tenants.

First to lose housing were to be single people and couples. Elderly and disabled residents were

to be excluded.

Phones began ringing. People holding Section 8 vouchers called wondering whether they were affected. Nonprofit agencies and homeless shelters wondered how they could absorb more homeless families.

Nebraska's congressional delegation was asked for help. Rep. Lee Terry, R-Neb., last week wrote a letter to HUD demanding an explanation of why public housing agencies were not given more notice about the reduced funding.

Timm said that after a World-Herald story last week and other news accounts, he was called by a HUD official in Washington, D.C., who cautioned against sending the letters to tenants.

Timm told the official that he couldn't wait past Thursday, in order to allow a month's notice.

"Call me Thursday morning," the official told Timm.

At 7:40 a.m. Thursday, Timm called HUD and got the good news.

Other steps that OHA took to curb costs are still in place. They include freezing vouchers at the current level and not issuing more; no longer accepting vouchers from Section 8 tenants from other cities or jurisdictions; denying moves of existing Section 8 tenants to higher-rent apartments; and reducing utility allowances.

Still, advocates for the poor found enough to cheer about in Thursday's turnaround.

"We are very excited about the good news," said Dave Pantos, executive director of Legal Aid of Nebraska.

Del Bomberger, who runs the Stephen Center homeless shelter in south Omaha, said the number of children served there already was up for the year. Other shelters, he said, have reported recession-related increases in the number of people seeking help and reductions in donations.

"The emergency shelter system in Omaha can breathe a little easier," Bomberger said. "Adding hundreds more to the rolls of the homeless at this time is unimaginable."

Contact the writer:

444-1136, erin.grace@owh.com

